

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

CASE NUMBER MDL 1290
Misc. No. 99-276 (TFH/JMF) ✓

IN RE LORAZEPAM AND
CLORAZEPATE ANTITRUST
LITIGATION

ADVOCATE HEALTH CARE,
ST. CHARLES HOSPITAL and
REHABILITATION CENTER, DIK DRUG
COMPANY and HARVARD PILGRIM
HEALTH CARE, INC., on behalf
of themselves and
all others similarly situated,

Plaintiffs,

v.

MYLAN LABORATORIES, INC.,
MYLAN PHARMACEUTICALS, INC.,
UDL LABORATORIES, INC., CAMBREX
CORPORATION, GYMA LABORATORIES
OF AMERICA, INC., PROFARMACO, S.R.L., and
MILAN PUSKAR,

Defendants.

) CASE NUMBER 1:99-CV-00790
) CONSOLIDATED WITH
) CASE NUMBER 99 C2228

) (U.S. DISTRICT COURT FOR
) THE NORTHERN DISTRICT OF
) ILLINOIS)

) CONSOLIDATED WITH
) CASE NUMBER 02 CIV. 4598

) (SOUTHERN DISTRICT
) OF NEW YORK)

) JUDGE: THOMAS F. HOGAN

FILED

APR 11 2003

NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

ORDER PRELIMINARILY APPROVING PROPOSED SETTLEMENT
BETWEEN PLAINTIFFS AND DEFENDANTS MYLAN LABORATORIES, INC.,
MYLAN PHARMACEUTICALS, INC., UDL LABORATORIES, INC., CAMBREX
CORPORATION, PROFARMACO S.R.L., GYMA LABORATORIES OF AMERICA,
INC., AND MILAN PUSKAR

Upon review and consideration of the Stipulation of Settlement and the exhibits attached
thereto (the "Settlement Agreement"), made and entered into on March 31, 2003, between the

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named plaintiffs in the above-captioned actions (the "Direct Purchaser Actions"), Advocate Health Care, St. Charles Hospital and Rehabilitation Center, Dik Drug Company and Harvard Pilgrim Health Care, Inc. (collectively "Class Representatives"), individually and as representatives of the direct purchaser class certified by Order of this Court on July 2, 2001, as modified by Order of August 28, 2001 ("the Class"), and Mylan Laboratories, Inc., Mylan Pharmaceuticals, Inc., UDL Laboratories, Inc., Cambrex Corporation, Profarmaco S.r.l.; Gyma Laboratories of America, Inc., and Milan Puskar (collectively "Defendants"), it is hereby ORDERED as follows:

PRELIMINARY APPROVAL OF SETTLEMENT

1. This Court finds that it has jurisdiction over these Direct Purchaser Actions and each of the Parties to the Settlement Agreement.

2. The Settlement Agreement is hereby preliminarily approved, subject to further consideration thereof at the Fairness Hearing provided for below. The Court finds that the \$35,000,000 settlement amount is within the range such that final settlement approval may be appropriate, following notice to the class. The Court tentatively finds that the terms of the Settlement Agreement are fair, reasonable, adequate, and in the best interests of the Class as a whole, and that the terms of the Settlement Agreement satisfy Federal Rule of Civil Procedure 23(e) and due process requirements.

NOTICE TO CLASS MEMBERS

3. Within twenty (20) days after entry of this Order, the Class Administrator shall: (a) cause the Notice of Proposed Settlement, attached hereto as Exh. 1, to be mailed by first-class mail, postage pre-paid, to all Class Members whose addresses can be obtained with reasonable diligence, including all Class Members who previously signed or filed requests for

exclusion from the Class or Contractual Releases, and thereafter to all potential Class Members who request a copy; and (b) cause the Summary Notice, attached hereto as Exh. 2, to be published promptly thereafter in *The Pink Sheet* (published by F.D.C. Reports) and in *Modern Healthcare*, and posted on the Internet.

4. Prior to the Fairness Hearing, Class Counsel shall serve and file a sworn statement by the Class Administrator attesting to compliance with the provisions of Paragraph 3 of this Order.

5. The Court finds that the notice required by the foregoing provisions is the best notice practicable under the circumstances and shall constitute due and sufficient notice of the Settlement and the Fairness Hearing to all Class Members and other persons affected by and/or entitled to participate in the settlement, in full compliance with the notice requirements of Rule 23 of the Federal Rules of Civil Procedure and due process.

6. The Notice of Proposed Settlement and Summary Notice shall not provide any new opportunity for Class Members to request exclusion from the Class. The Notice of Settlement shall advise Class Members who previously signed or filed a request for exclusion from the class and/or executed a Contractual Release that the filing of a timely Proof of Claim shall be deemed a withdrawal of the Class Member's request for exclusion and/or Contractual Release, which the Court will grant pursuant to the terms of the Settlement Agreement, so that the Class Member may share in the Direct Purchaser Settlement Fund to the extent set forth in the Settlement Agreement pursuant to a Court-approved Allocation and Distribution Plan.

THE CLASS ADMINISTRATOR

7. The Court approves Class Counsel's retention of Poorman-Douglas Corporation as

Class Administrator, to administer the distribution of the Notice of Proposed Settlement and publication of the Summary Notice, process all Proofs of Claim, and distribute the Direct Purchaser Settlement Fund to all eligible Class Members pursuant to a Court-approved Allocation and Distribution Plan.

8. The Class Administrator shall preserve all written communications from Class Members in response to the Notice Provision at least until December 31, 2004, or pursuant to further order of the Court. All written communications received by the Class Administrator from Class Members relating to the Settlement Agreement shall be available at all reasonable times for inspection and copying by Counsel for the Parties.

9. The Class Administrator shall be compensated from the Direct Purchaser Settlement Fund Account for its services in connection with notice and administration and for the costs of giving mailed and published notice, pursuant to such orders as the Court may enter from time to time.

THE FAIRNESS HEARING

10. A Fairness Hearing shall be held on June 16, 2003, approximately sixty (60) days after the mailing of Notice of Proposed Settlement, to consider: (a) the fairness, reasonableness, and adequacy of the Settlement; (b) whether a final order and judgment should be entered dismissing with prejudice the Direct Purchaser Actions; (c) the application by Class Counsel for attorneys' fees and expenses (the "Fee Petition") and the application for incentive awards to the Class Representatives ("Incentive Awards"); and (d) Class Counsel's proposed Allocation and Distribution Plan.

11. The date and time of the Fairness Hearing shall be set forth in the Notice of

Proposed Settlement and Summary Notice, but shall be subject to adjournment by the Court without further notice to the Class Members other than that which may be posted at the Court and on the Court's web site.

12. Any Class Member who objects to the approval of the Settlement Agreement, the Fee Petition, the Incentive Awards or the Allocation and Distribution Plan may appear at the Fairness Hearing and show cause why the Settlement Agreement, the Fee Petition, the Incentive Awards or the Allocation and Distribution Plan should not be approved as fair, reasonable, and adequate, and why the Final Order and Judgment should not be entered, except that no such Class Member may appear at the Fairness Hearing unless the Class Member, by June 2, 2003, two weeks before the Fairness Hearing, (a) files with the Clerk of the Court a notice of such person's intention to appear, a statement that indicates the basis and grounds for such person's objection to the Settlement Agreement, the Fee Petition, the Incentive Awards and/or the Allocation and Distribution Plan, and all documentation, papers, or briefs in support of such objection; and on the same date (b) serves upon all Counsel to the Parties (as listed in the Notice of Proposed Settlement), either in person or by mail, copies of such notice of intention to appear, statement of objections and all documentation, papers, or briefs that such person files with the Court. The required documentation shall include proof that the objector is a Class Member. In the absence of the timely filing and timely service of the notice of intention to appear and all other materials required by this paragraph, any objection shall be deemed untimely and denied.

13. All discovery and other pretrial proceedings in this action among the Parties are hereby stayed and suspended, except such proceedings as are provided for in the Settlement

Agreement or which may be necessary to implement the terms of the Settlement Agreement or this Order.

14. Pending final approval of the Settlement Agreement, no Class Member shall, either directly, representatively, or in any other capacity, commence, prosecute against any of the Defendants or participate in any action or proceeding in any court or tribunal asserting any of the matters, claims, or causes of action that are to be released by the Settlement Agreement upon final approval.

15. Upon final approval of the Settlement Agreement, all Class Members shall be forever enjoined and barred from asserting any of the matters, claims or causes of action released by the Settlement Agreement, and all such Class Members shall be deemed to have forever released any and all such matters, claims and causes of action as provided for in the Settlement Agreement.

OTHER PROVISIONS

16. Terms used in this Order that are defined in the Settlement Agreement are, unless otherwise defined herein, used in this Order as defined in the Settlement Agreement.

17. The Court approves the Escrow Agreement, attached to the Settlement Agreement as Exh. E.

18. Upon final approval of the Settlement Agreement, each and every term and provision of the Settlement Agreement shall be deemed incorporated herein as if expressly set forth and shall have the full force and effect of an Order of the Court.

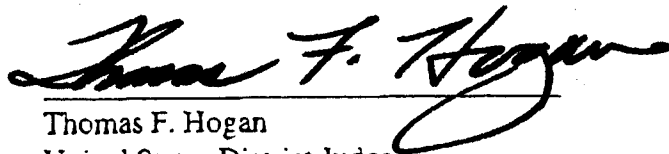
19. In order to participate in the distribution of the Direct Purchaser Settlement Fund, Class Members must complete and mail by June 16, 2003, approximately sixty

(60) days from the date of Class Notice, the Proof of Claim and Release Form attached to the Settlement Agreement as Exh. F.

20. In the event the Settlement is terminated in accordance with the provisions of the Settlement Agreement, the Settlement and all proceedings had in connection therewith shall be null and void, except insofar as expressly provided to the contrary in the Settlement Agreement, and without prejudice to the status quo ante rights of Plaintiffs, Defendants, and Class Members.

21. If the Settlement is terminated or ultimately not approved, the Court will modify any existing scheduling order to ensure that the Parties will have sufficient time to prepare for the resumption of litigation, including but not limited to the completion of discovery, preparation of expert reports, the filing of a summary judgment motion or motions, and preparation for trial.

SO ORDERED this 11 day of April, 2003.


Thomas F. Hogan
United States District Judge

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**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

IN RE LORAZEPAM AND
CLORAZEPATE ANTITRUST
LITIGATION

CASE NUMBER MDL 1290
Misc. No. 99-276 (TFH/JMF)

ADVOCATE HEALTH CARE,
ST. CHARLES HOSPITAL and
REHABILITATION CENTER, DIK DRUG
COMPANY and HARVARD PILGRIM
HEALTH CARE, INC., and on behalf
of themselves and all others similarly situated,

Plaintiffs,

v.

MYLAN LABORATORIES, INC.,
MYLAN PHARMACEUTICALS, INC.,
UDL LABORATORIES, INC., CAMBREX
CORPORATION, GYMA LABORATORIES
OF AMERICA, INC., PROFARMACO, S.R.L., and
MILAN PUSKAR,

Defendants.

CASE NUMBER 1:99-CV-00790
CONSOLIDATED WITH
CASE NUMBER 99 C2228

(U.S. DISTRICT COURT FOR
THE NORTHERN DISTRICT OF
ILLINOIS)

CONSOLIDATED WITH
CASE NUMBER 02 CIV. 4598

(SOUTHERN DISTRICT
OF NEW YORK)

JUDGE: THOMAS F. HOGAN

**TO: ALL PERSONS AND ENTITIES IN THE UNITED STATES WHO PURCHASED
GENERIC LORAZEPAM AND/OR GENERIC CLORAZEPATE TABLETS DIRECTLY
FROM DEFENDANTS MYLAN AND UDL DURING THE PERIOD JANUARY 12, 1998
THROUGH JULY 2, 2001, EXCLUDING DEFENDANTS, THEIR RESPECTIVE
PARENTS, SUBSIDIARIES AND AFFILIATES, ANY CO-CONSPIRATORS OF
DEFENDANTS, AND ALL GOVERNMENTAL ENTITIES (THE "CLASS")**

NOTICE OF PROPOSED SETTLEMENT

PLEASE READ THIS ENTIRE NOTICE CAREFULLY. YOUR RIGHTS MAY BE
AFFECTED BY LITIGATION NOW PENDING IN THIS COURT. THIS NOTICE ADVISES
YOU OF THE \$35,000,000 SETTLEMENT OF THIS LAWSUIT, AS SET FORTH IN THE
SETTLEMENT AGREEMENT, WITH MYLAN LABORATORIES, INC., MYLAN
PHARMACEUTICALS, INC., UDL LABORATORIES, INC., CAMBREX CORPORATION,

PROFARMACO S.R.L., GYMA LABORATORIES OF AMERICA, INC., AND MILAN PUSKAR (COLLECTIVELY "DEFENDANTS"), SUBJECT TO COURT APPROVAL. THIS NOTICE DESCRIBES THE LITIGATION, THE PROPOSED SETTLEMENT, THE APPLICATION FOR FEES AND COSTS, AND THE PROPOSED PLAN OF DISTRIBUTION, AND INFORMS YOU OF YOUR RIGHTS TO OBJECT OR PARTICIPATE.

CLASS MEMBERS HAVE RECEIVED TWO PRIOR NOTICES DURING THIS LITIGATION: THE NOTICE OF PENDENCY OF CLASS ACTION, WHICH ADVISED CLASS MEMBERS OF VARIOUS MATTERS, INCLUDING MATTERS RELATING TO THE CLASS DEFINITION, THE NATURE OF THE UNDERLYING LITIGATION, AND THE HISTORY OF THESE AND RELATED PROCEEDINGS, AND WAS DATED SEPTEMBER 15, 2001, AND THE NOTICE OF PROPOSED SETTLEMENT WITH SST CORPORATION, DATED SEPTEMBER 15, 2002. IF YOU DID NOT RETAIN A COPY OF THOSE NOTICES, YOU MAY OBTAIN ONE FROM THE CLASS ADMINISTRATOR AT THE ADDRESS SET FORTH IN SECTION 6 BELOW.

INSTRUCTIONS FOR FILING CLAIMS ARE SET FORTH IN SECTION 4 BELOW. A CLAIM FORM IS APPENDED TO THIS NOTICE. IF YOU ARE INTERESTED IN FILING A CLAIM, YOU MAY SKIP TO SECTION 4, ALTHOUGH YOU ARE ADVISED TO READ THE ENTIRE NOTICE.

This Notice is given pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the District of Columbia (the "Court"). There are now pending in the Court class actions brought on behalf of persons or entities in the United States who purchased generic lorazepam and/or generic clorazepate tablets directly from Mylan, alleging violations of the federal antitrust laws with respect to those products (the "Direct Purchaser Actions"). This Notice advises you of a \$35,000,000 proposed settlement of the Direct Purchaser Actions, as set forth in the Settlement Agreement. If you are a member of the Class described in this Notice, you will have a right to share in the settlement, if the settlement is approved by the Court. This Notice is sent for the purpose of informing you of the proposed Settlement, so that you may decide what steps you wish to take. Your possible choices are described in this Notice.

Mylan Laboratories, Inc., Mylan Pharmaceuticals, Inc., and UDL Laboratories, Inc., are referred to collectively herein as "Mylan." Other terms used in this Notice are, unless otherwise defined herein, used as defined in the Settlement Agreement.

1. BACKGROUND OF THE LITIGATION

This Notice concerns a proposed settlement of the Direct Purchaser Actions, which are federal lawsuits filed on behalf of direct purchasers of generic lorazepam and/or generic clorazepate tablets ("Plaintiffs") against defendants Mylan Laboratories, Inc., Mylan Pharmaceuticals, Inc., UDL Laboratories, Inc., Cambrex Corporation, Profarmaco S.r.l., Gyma Laboratories of America, Inc., Milan Puskar, and SST. These Direct Purchaser Actions have been consolidated by the Judicial Panel on Multidistrict Litigation in this Court before the

Honorable Thomas F. Hogan for pretrial proceedings. In November 1999, Plaintiffs filed a Consolidated Amended Class Action Complaint setting forth claims under the federal antitrust laws. Discovery in this litigation was coordinated with lawsuits brought by the Federal Trade Commission ("FTC") and the Attorneys General of various States.

Plaintiffs allege that, beginning in 1997, Mylan entered into exclusive licensing agreements with Gyma and Cambrex's subsidiary, Profarmaco, to purchase certain raw materials known as active pharmaceutical ingredients ("APIs") manufactured by Profarmaco and used by Mylan to manufacture lorazepam and clorazepate tablets. Plaintiffs further allege that these agreements allowed Mylan to obtain complete control of Profarmaco's supply of these products, and that by refusing to sell to any of its competitors, Mylan could deny its competitors access to necessary ingredients for producing lorazepam and clorazepate tablets. Plaintiffs further allege that Mylan increased the prices of its lorazepam and clorazepate tablets to supracompetitive levels. Plaintiffs further allege that Defendants and SST conspired to fix, raise or stabilize the price of lorazepam API, and lorazepam tablets.

Plaintiffs allege that the activities described above violated federal antitrust laws. As a result of the alleged conduct, Plaintiffs assert that members of the Class paid supracompetitive prices for lorazepam and clorazepate tablets.

There have been extensive proceedings before the Court and extensive discovery proceedings. The Court has not adjudicated any of the claims or defenses of the parties, and this Notice expresses no opinion by the Court as to the merits of any of the claims or defenses.

The Court has certified a Class consisting of:

all persons and entities in the United States who purchased generic lorazepam and/or generic clorazepate tablets directly from Defendants Mylan and UDL during the period January 12, 1998 through July 2, 2001, excluding Defendants, their respective parents, subsidiaries and affiliates, any co-conspirators of Defendants, and all governmental entities (the "Class")

"Direct Purchasers," for purposes of this class definition, include invoice purchasers, to the extent that they purchased from Mylan for their own account, and contract purchasers, i.e., purchasers who purchased pursuant to a group or individual contract with Mylan. The term "lorazepam" means the generic equivalent to Ativan, the branded drug manufactured and sold by Wyeth-Ayerst Laboratories, Inc. The term "clorazepate" means the generic equivalent to tranxene, the branded drug manufactured and sold by Abbot Laboratories, Inc.

On January 29, 2002, the Court issued a final order and judgment approving a settlement with SST Corporation.

The remaining defendants vigorously dispute that they engaged in any wrongful conduct or violations of the law. Defendants assert, among other things, that competition was not foreclosed, and in fact increased; that there were pro-competitive justifications for the agreements they entered; that they lacked market power or monopoly power in any properly

defined relevant market; that the Defendants' agreements did not give them control over any API producer's supply of lorazepam or clorazepate API; that the agreements created no shortage of lorazepam or clorazepate API or tablets and that none in fact existed; that alternative sources of API existed and were in fact utilized by Mylan's competitors; that the agreements did not restrict output of lorazepam or clorazepate API or tablets in any way; that there were no barriers to entry by competitors; that they neither conspired nor agreed to fix, raise or stabilize the price of lorazepam tablets or lorazepam API, or any other product; and that the rise in the price of lorazepam and clorazepate was the result of competitive forces in the market, and was consistent with the rise in the price of other generic drug products relative to the price of their brand name equivalents. Defendants also assert that the challenged agreements were in force only in 1998.

Nonetheless, Defendants have agreed, despite their belief that they are not liable for the claims asserted and that they have good defenses thereto, to enter into settlements to avoid the further expense, inconvenience and burden of this protracted litigation, and the distraction and diversion of their personnel and resources, to put to rest this controversy with valued customers, and to avoid the risk inherent in uncertain complex litigation.

2. THE SETTLEMENT

Class Counsel have negotiated the proposed Settlement Agreement with Defendants and believe that the terms of the Settlement Agreement will provide substantial benefits to the Class and are fair, reasonable and adequate. The principal terms of the Settlement are summarized as follows:

a. Consideration to the Class and Plan of Allocation

Subject to the terms and conditions of the Settlement Agreement, Defendants have agreed to pay a total of thirty-five million dollars (\$35,000,000) in Settlement of these Direct Purchaser Actions. In accordance with the Settlement Agreement, Defendants have deposited by wire transfer a total of \$35,000,000 into the Direct Purchaser Settlement Fund Account. All principal and interest on this Account, from the date of deposit, shall accrue to the benefit of the Class if the proposed Settlement is approved by the Court. The Direct Purchaser Settlement Fund shall also include the funds received from SST's partial settlement of the Direct Purchaser Actions, which remain in the SST Direct Purchaser Account, plus any interest accrued thereon, after previous distribution of the amounts of the SST Settlement allocated to the Indirect Purchaser Plaintiffs and the Plaintiff States in Related Actions, as well as payment to Class Counsel of incurred actual notice costs associated with the distribution of the Notice of Partial Settlement pursuant to Order of the Court dated June 21, 2002.

In the event the proposed Settlement is approved by the Court and becomes final, the Class Administrator will distribute to Claimants the money in the Direct Purchaser Settlement Funds, after payment of or appropriate reserves for taxes, attorneys' fees and costs awarded by the Court, incentive awards to the Class Representatives, awarded by the Court, and the fees and costs associated with class notice and Settlement administration, pursuant to an Allocation and Distribution Plan, as approved or modified by the Court. Class Counsel may seek an award of attorneys' fees, not to exceed 30% of the Direct Purchaser Settlement Funds, and for

reimbursement of reasonable costs incurred in the prosecution of the Direct Purchaser Actions. Class Counsel may also seek incentive awards of \$20,000 each to the four Class Representatives for their services in discovery and role in bringing about this recovery. The proposed Settlement Agreement contemplates that a portion of the Settlement proceeds may be applied, with Court approval, to pay the reasonable cost of Class notice and the reasonable fees and expenses of settlement administration.

Under the proposed Allocation and Distribution Plan, the Direct Purchaser Settlement Funds will be distributed to Claimants on the basis of their dollar amounts of lorazepam and clorazepate tablets purchased during 1998 and 1999. Contract customers (*i.e.* customers with an individual or group contract with Mylan) may file claims for the lorazepam and clorazepate tablets purchased in 1998 and 1999 pursuant to their group or individual contracts with Mylan, regardless of whether delivery was taken directly from Mylan or through a wholesaler. Invoice customers (*i.e.* customers invoiced directly by Mylan) may file claims for the lorazepam and clorazepate tablets purchased in 1998 and 1999 for their own account. Claims by wholesalers must exclude tablets sold to Mylan's contract customers for which chargebacks were received by the wholesalers from Mylan. Persons who previously signed or filed requests for exclusion from the Class or signed agreements releasing Defendants from liability may withdraw those exclusions from the Class or releases by filing a timely Proof of Claim form. However, the Class Administrator shall (i) reduce the claims of those Class Members who filed requests for exclusion from the class by up to 10%, and (ii) reduce the claims of those Class Members who signed agreements releasing Defendants from liability and did not challenge the releases' validity by up to 25%, unless the Class Administrator recommends to the court a lesser reduction due to mitigating circumstances shown by a Class Member. The claims of Class Members who signed releases, but who previously challenged those releases, shall not be reduced.

The Class Administrator will review all Proof of Claim forms timely submitted and is authorized, in its discretion, to investigate any claims and require such additional documentation or proof as the Class Administrator deems necessary to verify any claims. Claimants may appeal to the Court any claims disallowed, in whole or in part, by the Class Administrator, by written submission postmarked or received no later than 30 days after the Class Administrator mails notification of the proposed disallowance. In the absence of a timely, written appeal the disallowance shall be treated as final. Claimants who submit incomplete Proof of Claim forms must resubmit completed, signed forms no later than 30 days after the Class Administrator mails notification in that regard, or the claim shall be finally disallowed.

b. Release of Claims Against Defendants

In consideration for the foregoing, the Settlement Agreement provides a broad release of claims and waiver of rights. If the Settlement is approved, and upon such approval becoming final, Class Members, Class Representatives and Claimants, on behalf of themselves and, to the fullest extent permitted by law, their past and present partners, officers, directors, agents, attorneys, owners, shareholders, trustees, beneficiaries, parents, subsidiaries, divisions, and affiliates, and the heirs, executors, administrators, predecessors, successors, and assigns of each of the foregoing, for good and sufficient consideration, shall be deemed to have released and forever discharged Mylan Laboratories, Inc., Mylan Pharmaceuticals, Inc., UDL Laboratories,

Inc., Cambrex Corporation, Profarmaco S.r.l., Gyma Laboratories of America, Inc., and Milan Puskar, and their present and past parents, joint ventures, affiliates, subsidiaries, divisions, or other organizational units of any kind, any entity now or in the past controlled by, controlling, or under common control with any of the foregoing, the past and present officers, directors, partners, shareholders, employees, agents, attorneys, representatives, beneficial owners, investment advisors, investment bankers, independent contractors, and accountants of each of the foregoing, and the heirs, executors, administrators, predecessors, successors, and assigns of each of the foregoing from each and every direct, individual, class, representative, derivative, and other claim, right, action, allegation, demand, defense, counterclaim, issue, setoff, liability, penalty, and cause of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, including (without limitation) all claims for damages, restitution, disgorgement, rescission, counsel fees, costs of suit, or any other legal or equitable relief, liquidated or unliquidated, which the Releasors, or any of them, had, now has, or may hereafter have against the Releasees, or any of them, arising from or in connection with or in any way related, directly or indirectly, to any of the acts, facts, matters, transactions, events, occurrences, disclosures, statements, representations, omissions, or failures to act set forth, alleged, referred to, or otherwise embraced in these Direct Purchaser Actions, including but not limited to claims arising under the statutory or common laws of the United States or any state, territory, or other jurisdiction (whether domestic or foreign), or arising from or in any way related to the settlement of these Direct Purchaser Actions, excepting only any claim to enforce the terms of this Settlement Agreement.

c. Waiver of Rights

Each Class Member by operation of the Final Judgment expressly waives any rights or benefits, if available, under Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him, must have materially affected his settlement with the debtor.

Each Class Member specifically waives any rights he or she may have under other similar applicable statutes or principles of common law. If the facts with respect to which the Releases are premised and upon which the dismissal with prejudice contained in the Final Order and Judgment are found hereafter to be other than, or different from, the facts now believed by Releasors to be true, Releasors expressly accept and assume the risk of such possible differences and facts, and shall agree that the releases set forth above shall expressly waive any and all rights and benefits conferred by any law or any state or territory of the United States or any foreign country or principle of common law that is similar, comparable, or equivalent to Section 1542 of the California Civil Code.

THE ABOVE IS ONLY A SUMMARY OF THE SETTLEMENT, AND YOU ARE REFERRED TO THE SETTLEMENT AGREEMENT ON FILE WITH THE CLERK OF THE COURT FOR ITS PRECISE TERMS AND CONDITIONS, OR YOU MAY CONTACT THE CLASS ADMINISTRATOR, IDENTIFIED IN SECTION 6 BELOW, WHO WILL FORWARD A COPY OF THE AGREEMENT TO YOU.

3. HEARING REGARDING APPROVAL OF SETTLEMENT

PLEASE TAKE NOTICE that a hearing will be held on [DATE] at [TIME] before the Honorable Thomas F. Hogan, at the United States Courthouse, 333 Constitution Avenue, N.W., Washington, D.C. 20001, for the purpose of determining whether the Settlement is fair, reasonable and adequate and whether the Court should enter a final judgment and order approving the Settlement and to consider the application by Class Counsel for attorney's fees and expenses, the application for incentive awards to the Class Representatives, and Class Counsel's proposed Allocation and Distribution Plan. If you are a member of the Class, you are entitled to appear and be heard at this hearing. The time and date of the hearing may be continued from time-to-time without further notice.

It is not necessary to appear at the hearing in order to file a claim and participate in the Settlement. However, any Class Member who objects to the approval of the Settlement Agreement or Fee Petition or Incentive Awards or Allocation and Distribution Plan may appear at the Fairness Hearing and show cause why the Settlement Agreement or Fee Petition or Incentive Awards or Allocation and Distribution Plan should not be approved as fair, reasonable, and adequate, and why the Final Order and Judgment should not be entered, except that no such Class Member may appear at the Fairness Hearing unless the Class Member, by

June 2, 2003, (a) files with the Clerk of the Court a notice of such person's intention to appear, a statement that indicates the basis and grounds for such person's opposition to the Settlement, or the Fee Petition, or Incentive Awards, or the Allocation and Distribution Plan, and all documentation, papers, or briefs in support of such opposition; and at the same time (b) serves upon all Counsel to the Parties (as listed below), either in person or by mail, postmarked or received by the above deadline, copies of such notice of intention to appear, statement of objections and all documentation, papers, or briefs that such person files with the Court. The required documentation shall include proof that the objector is a Class Member.

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Persons who fail to object as provided herein shall be deemed to have waived, and shall be foreclosed from raising any objections.

4. CLAIM FORM AND INSTRUCTIONS

A Proof of Claim form, and instructions for filing a claim, are appended to this Notice. This claim form must be completed, signed and postmarked or received no later than June 16, 2003 if you wish to share in the Settlement Fund. The Proof of Claim form asks a number of questions and requires certain certifications. Claimants must answer all questions, provide all required information, check all certifications that apply, and sign where indicated. Failure to do so will result in the claim being disallowed. The claim forms and instructions are part of the proposed Allocation and Distribution Plan and are subject to revision if the proposed Allocation and Distribution Plan is modified by the Court.

5. CHANGES OF ADDRESS

If you change your address, or if this Notice was not mailed to your correct address, you should immediately provide your correct address to *In Re Lorazepam & Clorazepate Antitrust Litigation*, Class Administrator, P.O. Box 6515, Portland, Oregon 97228-6515, or info@mylansettlement.com.

6. ADDITIONAL INFORMATION

IF YOU HAVE ANY QUESTIONS, PLEASE DIRECT THEM IN
WRITING BY LETTER OR EMAIL TO:
IN RE LORAZEPAM & CLORAZEPATE ANTITRUST LITIGATION
CLASS ADMINISTRATOR
P.O. BOX 6515
PORTLAND, OREGON 97228-6515
info@mylansettlement.com

The pleadings and other records in this litigation may be examined and copied during regular office hours at the office of the Clerk of the United States District Court for the District of Columbia.

PLEASE DO NOT TELEPHONE OR DIRECT ANY INQUIRIES TO THE COURT.

Dated: 4-11-03

BY ORDER OF THE COURT

NANCY MAYER WHITTINGTON, CLERK
United States District Court
for the District of Columbia

LEGAL NOTICE

ATTENTION

LEGAL NOTICE

All persons and entities in the United States who purchased generic lorazepam and/or generic clorazepate tablets directly from Mylan Laboratories, Inc., Mylan Pharmaceuticals, Inc., or UDL Laboratories, Inc. during the period January 12, 1998 through July 2, 2001.

Please Read This Notice Carefully

There are now pending class actions brought against Mylan Laboratories, Inc., Mylan Pharmaceuticals, Inc., UDL Laboratories, Inc., Cambrex Corporation, Profarmaco S.r.l., Gyma Laboratories of America, Inc., and Milan Puskar (collectively "Defendants") on behalf of all persons or entities in the United States who purchased generic lorazepam and/or generic clorazepate tablets from Mylan Laboratories, Inc., Mylan Pharmaceuticals, Inc., or UDL Laboratories, Inc. (collectively "Mylan") in the United States during the period January 12, 1998 through July 2, 2001, excluding Defendants, their respective parents, subsidiaries and affiliates, any co-conspirators of Defendants, and all governmental entities (the "Class"). These actions, consolidated by the Judicial Panel on Multidistrict Litigation under the caption *In re Lorazepam and Clorazepate Antitrust Litigation*, MDL No. 1290 (TFH), in the U.S. District Court for the District of Columbia, allege violations of the antitrust laws with respect to generic lorazepam tablets and generic clorazepate tablets. Defendants deny any liability or wrongdoing for the claims alleged.

This summary notice advises you of a \$35,000,000 proposed settlement of this class action, as set forth in the Settlement Agreement, subject to court approval, and of your rights to participate in or object to the proposed settlement. This proposed settlement by all remaining defendants is in addition to a prior settlement with defendant SST Corporation already approved by the Court. The Court will hold a final approval hearing on the proposed settlement at 9:30am on June 16, 2003 in the Courthouse of the Honorable Thomas Hogan, at the U.S. District Court, District of Columbia, 333 Constitution Ave., N.W., Washington D.C. 20001.

Your Rights

If you are a member of the Class described in this Notice, you will have a right to share in the settlement, if the settlement is approved by the Court. In the event the proposed settlement is approved by the Court and becomes final, the Class Administrator will distribute the money in the settlement fund, net of all taxes, attorneys' fees and costs awarded by the Court, incentive awards to the Class Representatives awarded by the Court and the fees and costs associated with Class notice and Settlement administration, pursuant to an allocation and distribution plan, subject to Court approval.

To participate in the settlement, you must file a Proof of Claim Form by June 16, 2003. A Proof of Claim Form may be obtained, together with the full Notice of Proposed Settlement, by mailing a request to the Class Administrator at the address below.

The proposed settlement includes a release of claims as further described in the full Notice of Proposed Settlement. Any Class member who objects to the approval of the settlement or fee petition or incentive awards to the class representatives or the plan of distribution may appear at the final approval hearing and show cause why the settlement, fee petition, incentive awards, or plan of distribution should not be approved as fair, reasonable, and adequate, provided the objector complies with the requirements set forth in the full Notice of Proposed Settlement.

THIS NOTICE IS ONLY A SUMMARY

For a copy of the full Notice of Proposed Settlement, write to: *In re Lorazepam and Clorazepate Antitrust Litigation*, Class Administrator, P.O. Box 6515, Portland, Oregon 97228-6515 or email info@mylansettlement.com.

Clerk of the Court, U.S. District Court, District of Columbia
PLEASE DO NOT CONTACT THE COURT